KLONDIKE GOLD CORP.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2015

Corporate Information

Klondike Gold Corp ("Klondike Gold" or the "Company") is a Canadian listed public company with its shares traded on the TSX Venture Exchange under the symbol "KG".

The Company is a resource exploration stage company engaged in the acquisition and exploration of mineral properties. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issuance of shares from the treasury to investors and does not use long term debt. The Company currently holds exploration properties in Canada, with a focus on the Yukon Territory. For more information, please refer to the Properties section.

Additional information relating to the Company can be found on SEDAR at www.sedar.com and also on the Company's website at www.klondikegoldcorp.com.

Management Discussion and Analysis

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended November 30, 2015.

The Company's unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Company is extending its best efforts in this regard, the outcome of these matters cannot be predicted at this time. The accompanying unaudited condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

This MD&A has been prepared as of January 28, 2016. All amounts are expressed in Canadian dollars unless otherwise stated.

Forward Looking Information

This MD&A includes some statements that may be considered "forward-looking statements". All statements in this discussion that address the Company's expectations about future exploration and development are forward-looking statements. Although the Company believes the expectations presented in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, availability of capital and financing, and general economic, market, and business conditions. Readers are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Yukon Properties

Claim Owner	Property Name	Number of Claims	Area (sq km)	Area (ha)
Klondike Gold Corp.	Lone Star	746	138.2	13821.9
Klondike Gold Corp.	Lone Star Crown Grants	14	2.1	213.7
Klondike Gold Corp.	Dominion	135	25.7	2568.4
Klondike Gold Corp.	Bonanza	326	53.1	5305.1
Klondike Gold Corp.	Gold Run	86	16.6	1664.7
Klondike Gold Corp.	15 Mile Silver City	100	20.9	2090.3
Klondike Gold Corp.	Sulphur	113	20.9	2085.7
Klondike Gold Corp.	Indian River Placer	239	13.4	1341.5
Klondike Gold Corp.	Eldorado Creek Placer	114	6.8	682.5

Lone Star / Bonanza / Dominion / Gold Run / Sulphur Creek ("Klondike Properties")

Title Holder: Klondike Gold Corp.

KG Ownership: As a result of the acquisition of KSMC, the Company now owns a 100% interest in all the KG and former KSMC Klondike area quartz claims, without any royalties payable.

Acquisition Method: Staked
Underlying Royalties: No
Land: 256 km^2 claims & 2.1 km^2 Crown Grants
Claims: 1,406 claims, 14 Crown Grants
Location: 20 km Southeast of Dawson City
586700 m E 7086000 m N, UTM ZONE 7N (NAD83)
Mineral Targets: Gold

Recent Work

Recent Exploration on the Klondike Properties

A Class 3 quartz mining land use plan ("MLUP") permit was received in 2015 for the Lone Star Property. The term of the permit is for 5 years expiring July 2020. The Class 3 MLUP permit allows Klondike Gold to conduct advanced exploration activities subject to various conditions including mitigation measures, remediation requirements, and archeological and ecological provisions among others. Klondike Gold also has a Class 3 MLUP permit in place for its Dominion Property.

During 2015, Klondike Gold completed remediation of several historically disturbed areas on the Lone Star Property including the 600 metre long "JF" trench that could be seen from space.

The Company's 2015 exploration program commenced in late April 2015. In May, Klondike Gold engaged GroundTruth Exploration Ltd. ("GroundTruth") of Dawson, YT as contractor for geophysical and orthophoto surveying. A total of 161 square kilometres of orthophotography and digital elevation modelling collected by unmanned aerial drone surveying has been acquired, processed, and rectified to a UTM projection mapping base. The imagery covers the Lone Star, Dominion, Gold Run, and Sulphur Properties, as well as the Indian River/McKinnon Creek placer property. The high resolution imagery is an invaluable aid to prospecting and other geoscience surveys. A total of 1,233 line kilometres of detailed high-sensitivity ground magnetics surveying over all high-priority areas has been acquired and processed. Magnetics surveying for 2015 is complete on all properties (Lone Star, Dominion, Gold Run and Sulphur).

Lone Star Drill Results

A 2015 diamond drill program was completed to test various areas of quartz veining containing visible gold within the Lone Star property. The drill program consisted of 1,374 metres drilled in 19 holes. Drilling tested zones at Nugget, Gay Gulch, and Buckland in a 2 km by 1 km area within the Lone Star property, each with outcrop or sub-crop quartz veining containing visible gold but with a diversity of geophysical expression, structural setting, and host lithology.

Visible gold was identified in fifteen of the nineteen drill holes and in all targeted zones. Visible gold occurs within a series of quartz veins occurring in defined quartz vein arrays extending over multi-metre widths at the Nugget Zone, at Gay Gulch, and in several holes in the Buckland target area. These quartz vein arrays are following magnetic 'breaks' or inferred faults in all cases.

In detail, the 2015 exploration drilling tested several zones including Nugget (EC15-01 to EC15-06), Lower Nugget (EC15-07), Gay Gulch (EC15-08 to EC15-13), and various in the Buckland area (EC15-14 to EC15-19) with outcrop or sub-crop quartz veining containing visible gold. Core logging results show that individual quartz veins with visible gold can be 0.05 to 1.0 metres in thickness and that "zones" are comprised of several to many related quartz veins ("vein arrays") occurring over widths of up to ~10 metres true thickness and which exhibit along-strike and down-dip continuity. The volume of quartz veining relative to wallrock, expressed as "% quartz veining" or "% QV" is an important exploration indicator relating to gold grade. Property-scale exploration focussed on locating near-surface volumes of gold mineralized quartz veining, and this objective will continue for 2016.

GroundTruth completed approximately 1000 metres of detailed induced polarization ("IP") along three lines spaced 50 metres apart across this target. The survey was designed to allow direct detection of 0.75 to 5.0+ metre wide quartz vein arrays. The outcropping quartz vein array at Nugget is associated with a northeast striking shear fault. IP results show features attributable to southwest dipping bedrock as well as to northeast dipping quartz veining and associated fault structures along the 100 metre strike length surveyed.

The Company completed detailed representative chip sampling perpendicular to veining across 14 individual lines over 38 metres strike length of outcropping quartz veins and adjacent host rock. A total of 38 chip samples were collected and analyzed by metallic screen assaying. Thirteen samples were of wall rock and twenty five samples were of quartz veins. Thirteen samples had values between 5 g/t Au and 30.5 g/t Au. Seven samples of wallrock had gold values above 0.1 g/t Au (detection limit is 0.01 g/t Au) sugessing gold enriched wall rock in addition to gold enriched veins.

The intent of the survey was to assess the variability of gold content along the strike of the veining, the distribution of gold in light of potential coarse-gold 'nugget' effects, and the gold content (if any) of the adjacent host rock. The reader is cautioned that the results herein, while methodically collected, should be regarded as an estimate only with potentially high variability.

The most continuous exposure of outcrop at Nugget Zone returned a weighted gold assay from chip sampling of 8.0 g/t Au over 4.3 metre interval.

Gay Gulch Drill Results

A new discovery of a gold-bearing quartz veining was made near Gay Gulch along Eldorado Creek in drill hole EC15-10. A 2.8 metre zone including a 0.5 metre quartz vein was intersected that contains coarse clots of gold up to 2.5 cm in size. After removing all the coarse visible gold clots from the assay sample, the remaining split interval assayed 420 g/t Au over 0.5 metre, within an extended interval that averaged

75.6 g/t Au over 2.8 metres.The Gay Gulch Zone was tested from pairs of holes at 50 metre spaced intervals along a 100 metre total length. Each drill pad had a -50 and a -85 dipping hole collared from it. All holes were drilled at 210 azimuth. Along the strike of the locally sub-cropping Gay Gulch quartz veining, holes EC15-08 and EC15-09 tested the easterly end (section 950E), holes EC15-10 and EC15-11 tested the middle (section 1000E), and holes EC15-12 and EC15-13 tested the westerly end (section 1050E).

Drilling encountered brittle felsic volcanics, fractured and cut by a quartz vein array. The quartz veining is related to a prominent (magnetic low) fault that extends for 2,600 metres from Gay Gulch. The Gay Gulch drilling was done adjacent to Eldorado Creek on the right limit bank of Eldorado placer claim 36. By 1900, a 34 ounce gold nugget had been discovered on placer claim 36 and a larger 72 ounce nugget was discovered on placer claim 34 located 250 metres downstream. The Gay Gulch fault transects both of these placer claims.

<u>Summary of Gay Gulch Drilling Assay Results</u>

Hole ID	**Dip**	**From (m)**	**To (m)**	**Interval (m)**	**True Thickness (m)**	**Grade Au g/t**	**% QV**
EC15-08	-85	41.90	47.25	5.35	4.00	1.6	16
EC15-09	-50	19.30	20.40	1.10	1.10	1.9	18
EC15-10	-85	23.90	26.70	2.80	2.10	75.6	33
	Including	23.90	24.40	0.50	0.40	420.0	100
EC15-11	-50	21.20	23.05	1.85	1.85	1.0	
EC15-12	-85	-	-	-	-	-	-
EC15-13	-50	19.45	21.00	1.55	1.55	10.9	10

<u>Nugget Zone Drill Results</u>

Holes EC15-01 through EC15-04 intersected a quartz vein array with interesting results. Holes EC15-05 and EC15-06 were collared in front of this zone, and contained fewer veins in the lower vein array to meaningfully carry a weighted average.

<u>Summary of Nugget Zone Significant Drill Results</u>

EC15-01: 4.6 g/t Au over 7.65 metres (7.65 metres true thickness) from 3.8m to 11.45m.
EC15-02: 2.3 g/t Au over 7.2 metres (5.7 metres true thickness) from 4.4m to 11.6m.
EC15-03: 5.3 g/t Au over 7.6 metres (6.1 metres true thickness) from 4.4m to 12.0m.
EC15-04: 5.7 g/t Au over 3.0 metres (3.0 metres true thickness) from 21.1m to 24.1m.

Lower Nugget Zone Drill Results

One hole (EC15-07) tested an area of outcropping quartz veining containing numerous sights of visible gold in mafic volcanics. The hole intersected a quartz vein at the target depth containing visible gold, however there is no structure present nor is there an array of quartz veining present. The interval of interest in the hole occurs from 5.50 to 8.35 metres downhole however the few veins in the 'array' do not have sufficient grade to carry a weighted average.

Buckland Zone Drill Results

Six holes (EC15-14 to EC15-19) tested individual quartz vein targets within a 1000 square metre area collectively known as the Buckland Zone. The zone is characterized by extensive fracturing developed in mafic volcanics. The fractures commonly contain quartz veins, many with visible gold. The area is an intense, widespread magnetic low, interpreted as a large and long-lived zone of faulting. It is believed that faulting is synchronous with gold mineralization, but continued post-mineralization movement disrupted the earlier mineralized quartz veins.

Summary of Buckland Zone Drilling Assay Results

Hole ID	Dip	From (m)	To (m)	Interval (m)	True Thickness (m)	Grade Au g/t	% QV
EC15-15	-50	54.70	56.50	1.8	1.80	3.7	Unknown
EC15-16	-50	38.00	38.85	0.85	0.85	1.8	Unknown
EC15-16	-50	55.10	55.30	0.2	0.20	11.9	50
EC15-17	-50	58.80	59.25	0.45	0.45	5.9	18

Dominion Property

Magnetics surveying was completed first at the Dominion Property, combined with orthophotography, and used as a mapping and prospecting base for systematic evaluation of trenches and outcrops. Mapping of all trenches and sampling of quartz veins was completed in late June. Assays from individual mineralized veins range between 0.2 g/t gold to a high of 48 g/t gold and 50 g/t silver to a high of 509 g/t silver. (This sampling is deliberately selective in nature; systematic test results may vary significantly. A "nugget effect" is evident.) These results, when combined with 2014 sampling continue to show a focussed target area of interest of some 850 metres by 200 metres extent in the central portion of the Dominion Property. Work to date shows this target contains an outcropping array of gold-mineralized quartz veins, sporadically with visible gold, and with individual veins ranging from 0.1 metres to 3.0 metres in thickness. The area has not been diamond drill tested. This target is proposed for testing in 2016.

Previous Exploration on the Klondike Properties

Klondike Gold Corp. has previously conducted diamond drilling, trenching, soil sampling, rock sampling, geological mapping and prospecting on its Klondike Properties.

Exploration Highlights

- Boulder Lode open cut results of 1.86 g/t over 5 by 25 m, including **9.43 g/t over 2.5 by 4.2 m**
- Nugget Zone mapping, extension and grab samples of **179 g/t Au with 78 g/t Ag**
- Upper Eldorado grab samples of up to **98.8 g/t Au with 20.7 g/t Ag**
- Violet Ridge trend advancement with high sample of **47.4 g/t Au and 894 g/t Ag**

Historical Work Summary

The Klondike quartz properties have a long history starting with the 1896 placer gold discovery rush and subsequent discoveries of gold-bearing quartz veins in bedrock between 1900 and 1910. The Klondike properties contain two past-producing mines; the Lone Star (aka Boulder Lode) mine which operated from 1911-1914 and the Violet mine from 1901 to 1907.

In 2014 Klondike Gold conducted a program between April and October 2014 focused on prospecting and mapping bedrock and re-examining trench exposures documenting gold-bearing quartz veins and their characteristics versus unmineralized quartz and carbonate veins. Prospecting was guided by geophysics supported by a structural model for orogenic gold deposits. The objective of 2014 field work was to determine the relationship, if any, between major faults and gold mineralized veins. A secondary objective was to better qualify rock assay data and nugget gold content in light of the obvious challenge of a 'nugget effect' due to the common presence of coarse visible gold. A total of 342 rock samples were collected for assay and submitted for analysis following the 2014 field season. A total of 35 heavy mineral concentrate samples were collected to examine and count gold grains derived from weathering of in-situ gold-bearing bedrock quartz veins. During 2014, workers identified 19 geographically diverse new sites of visible gold in outcropping bedrock quartz veins. The work successfully highlighted areas that require further investigation.

Highlights from the Lone Star Property rock sample assays are as follows:

- Prospecting samples at the Boulder Lode prospect from a newly uncovered quartz vein ("Vein 1") yield gold assays of 1,766 g/t Au, 1,007 g/t Au, and 831 g/t Au with corresponding silver assays of 400 g/t Ag, 237 g/t Ag, and 205 g/t Ag respectively. (Prospecting samples are selective in nature; systematic test results may vary significantly.)
- Prospecting samples of bedrock quartz veins from the Nugget to Buckland prospect areas assayed between 1.0 g/t Au and 19.4 g/t Au including six samples with visible gold identified in outcrop.
- Prospecting identified 19 geographically diverse previously undocumented sites of visible gold in outcropping bedrock quartz veins.
- Analysis of historical aeromagnetic surveys from Klondike Gold and the Geological Survey of Canada ("GSC") has identified a shear fault array comprised of a main dextral shear fault with associated secondary pinnate and horsetail extensional faults interpreted to transect the Klondike goldfields. Portions of this fault network have been identified previously as "D4" faults and this fault array appears to be a primary control on "D4" gold-bearing quartz veins in Klondike area.

Highlights from the Dominion Property rock sample assays are as follows:

- Prospecting samples at the Hunker Dome prospect collected from an array of quartz veins exposed in old trenches over a 700 metre length yield gold assays of between 1 g/t and 37.1 g/t Au and silver between 8 g/t and 930 g/t Ag. Three prospecting samples across a 3 metre wide quartz vein exposed in a c.1910 prospecting shaft had gold assays of 81.3 g/t, 12.7 g/t and 7.3 g/t Au. (Prospecting samples are selective in nature; systematic test results may vary significantly.)
- Prospecting samples from the Dominion Adit 150 metres vertically beneath Hunker Dome assayed gold between 0.2 g/t and 0.6 g/t Au with silver between 10 g/t and 167 g/t Ag and are interpreted to represent vertical continuation of veining.
- Two prospecting samples from the Golden Rod prospect assayed gold between 2.1 g/t and 3.0 g/t Au with silver between 7 g/t and 13 g/t silver. Golden Rod exhibits the same type of veining as exposed at Hunker Dome and obtained from the Dominion adit, and is located 1,500 metres south of Hunker Dome.

Please refer to the Company's news releases for further details on assay results which can be found on the Company's website at www.klondikegoldcorp.com or on SEDAR at www.sedar.com.

Indian River Placer

Title Holder: Klondike Gold
KG Ownership: 100%
Acquisition Method: Leased/Staked
Underlying Royalty: 5%
Land: 13.4 km^2
Claims: 239 claims leased/owned
Location: 48 km SSE of Dawson City
600125 E 7062600 N, UTM ZONE 7N (NAD 83)
Mineral Targets: Gold

The Indian River Placer property is owned 100% by Klondike Gold through its acquisitions dated July 18, 2014 of KSMC and September 16, 2014 of 46799 Yukon Inc., which successfully concentrated title in one business entity, subject only to an underlying 5% production royalty to a third party.

During the year ended February 28, 2015, Klondike Gold entered into a lease agreement with Jerusalem Mining LLC, operating as 316 Mining ("316 Mining") whereby Klondike Gold assigned to 316 Mining the rights and permits to placer mine on the "McKinnon Creek property", Yukon. (McKinnon Creek is the term applied to the area of the Hoffman lease agreement and is a subset of the Indian River Placer property). Under the terms of the lease agreement, Klondike Gold received from 316 Mining a direct 15% production royalty payable in raw gold and will receive an additional 5% on behalf of the underlying third party royalty holder. The lease agreement is subject to a minimum annual payment by 316 Mining to Klondike Gold of 100 ounces raw gold or cash equivalent. The lease agreement is subject to cancellation by notice of either party to the other and still remains in effect as of the date of this MD&A. Mining on the property began in April 2015 and was completed September 30, 2015. The agreement also acknowledges that during the term of the lease as part of the development and production activities 316 Mining will be allowing employees and agents of Discovery Channel television access to the McKinnon Creek property.

The Indian River valley is located 35 km south of Dawson City and forms the southern boundary of the Klondike Gold Fields. Approximately 60% of the Indian River property has been tested by 350 auger drill holes between 2005 and 2015 to locate and delineate White Channel Gravel 'pay streaks'. Gold was recovered from nearly 100% of the holes in the main target area. Drill results indicate gold-bearing gravels extend over a distance of more than three km (1.9 miles) and remain open for expansion to the east and south.

The Company received $216,341 in royalties on the Indian River property in 2014 and $526,994 in 2015.

Portugal Properties

The Company acquired five exploration licenses (Balazar, Valongo, Legares, Castelo do Paiva and Ponte de Barca) totaling approximately 604 km2 area prospective for gold from the Portuguese Department of Energy & Geology ("DGEG").

In an agreement dated January 24, 2014, the Company sold its Portuguese subsidiary which owns the Portuguese exploration licenses to Medgold Resource Ltd., a subsidiary of Medgold Resources Corp. ("Medgold"), for consideration of $500,000, which the Company has received as $150,000 cash and $350,000 in common shares of Medgold, which amounted to 3,147,418 common shares.

Klondike Gold retains a 2% NSR on the exploration permits which may be repurchased for $1.0 million per percentage point. Klondike Gold's remaining holdings in Medgold total over 2.3 million common shares, held for investment purposes.

British Columbia Properties

The Company's properties include non-contiguous groups of claims acquired by staking and option agreements in the southeastern mountain region of British Columbia. The properties are prospective for gold, and also for lead-zinc-silver mineralization. The following table summarizes the claims as at November 30, 2015:

Claim Owner	Property Name	Number of Claims	Area (sq km)	Area (ha)
Klondike Gold Corp.	Panda Irishman	5	17.1	1708.1
Klondike Gold Corp.	Thea	1	14.1	1412.0
Klondike Gold Corp.	Quartz Mountain	65	36.8	3680.8
Klondike Gold Corp.	Clubine	5	2.3	232.0
Klondike Gold Corp.	Cold Creek	21	69.2	6923.4
Klondike Gold Corp.	Cruz-Midway	36	16.2	1624.1
Klondike Gold Corp.	Hughes Range	8	21.0	2103.2
Klondike Gold Corp.	Red Point	9	32.6	3259.0
Klondike Gold Corp.	Ron Gold	29	11.7	1166.9

Vine Property

On February 27, 2014, the Company completed a purchase and sale agreement with PJX Resources Inc. ("PJX") for the acquisition by PJX of 100% of Klondike's Vine Extension Property comprised of 84 claims totaling 6,300 hectares located near Cranbrook, British Columbia, Canada. PJX has purchased 100% of the Company's interest in the Property by issuing 700,000 common shares to the Company. In addition to the payment of shares, the Company retains a royalty equal to 1% of net smelter returns from minerals produced from the Property. Klondike Gold's remaining holdings in PJX total over 0.3 million common shares, held for investment purposes.

Ontario Property

The Company maintains a 100% interest in a small property in Ontario adjacent to the Young-Davidson mine operated by AuRico Gold Inc. The property will remain in good standing until 2017 without further expenditure.

Claim Owner	Property Name	Number of Claims	Area (sq km)	Area (sq km)
Klondike Gold Corp.	Matarrow	1	0.5	49.4

Overall Financial Performance

Financial Condition

As at November 30, 2015, a total of $8.10 million was held in exploration and evaluation assets (February 28, 2015 - $7.72 million), all of which was invested in the Yukon. Total assets decreased to $9.13 million (February 28, 2015 - $9.71 million), total liabilities decreased to $0.094 million (February 28, 2015 - $0.30 million) and shareholders' equity decreased to $9.04 million (February 28, 2015 - $9.41 million).

Subsequent to November 30, 2015 the Company closed a non-brokered private placement of 750,000 flow through shares at a price of $0.10 per share for gross proceeds of $75,000 and 3,415,000 non-flow through units at a price of $0.10 per unit for gross proceeds of $341,500. Each non-flow through unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.15 per common share until December 23, 2017.

Results from Operations

During the nine months ended November 30, 2015, the Company's cash decreased by $609,030. Cash used in financing activities included $176,000 in mortgage payments. Cash used in investing activities included $904,812 used to fund exploration and evaluation expenditures partially offset by $526,994 received on gold sales, $161,115 in sales of available-for-sale investments (2014 - $3,222) and $52,476 in proceeds on sale of equipment. Cash used in operating activities totaled $268,803 (2014 - $742,388).

Nine months ended November 30, 2015 and 2014

The Company's net loss for nine months ended November 30, 2015 was $289,782 which was down significantly from $448,430 for the nine months ended November 30, 2014. Operating expenses were $442,896 for the nine months ended November 30, 2015 compared to $558,768 for the nine months ended November 30, 2014. The decrease in operating expenses for the nine months ended November 30, 2015 was largely a result of a decrease in professional fees of $59,417 and a decrease in depreciation of $63,131 compared to the nine months ended November 30, 2014. The decrease in professional fees is a result of a decrease in legal expenditures incurred and the decrease in depreciation is a result of the fact that the Company sold and wrote down the majority of its equipment during the period.

Other significant items included: $87,001 in miscellaneous income, which was mostly comprised of rental income received from the Discovery Channel for use of the Company's property as a filming location, $40,000 in other income, which was the amortization of the flow-through premium for the period, and a gain on sale of available-for-sale investments of $23,300.

Three months ended November 30, 2015 and 2014

The Company's net loss for three months ended November 30, 2015 was $109,242 which increased from a net gain of $41,995 for the three months ended November 30, 2014. Operating expenses were $127,120 for the three months ended November 30, 2015 compared to $142,694 for the three months ended November 30, 2014. The increase in net loss was due to a gain on disposition of joint venture of $195,624 in the three months ended November 30, 2014 as a result of marking its equity investment in KG46 up to fair value on acquisition of the remaining 50% of 46799 Yukon Inc.

Summary of Quarterly Results

Quarter Ended

	Nov. 30, 2015 $	Aug. 31, 2015 $	May 31, 2015 $	Feb. 28, 2015 $
Other Income (Loss)	17,878	108,208	27,028	(564,986)
Net Income (Loss)	(109,242)	(48,701)	(131,839)	(1,083,754)
Net Income (Loss) Per Share	(0.00)	(0.00)	(0.00)	(0.03)

	Nov 30, 2014 $	Aug. 31, 2014 $	May 31, 2014 $	Feb. 28, 2014 $
Other Income (Loss)	184,689	(31,848)	(42,503)	(4,084,730)
Net Income (Loss)	41,995	(247,728)	(242,697)	(4,433,114)
Net Income (Loss) Per Share	(0.00)	(0.02)	(0.02)	(0.38)

Net loss for the quarter ended February 28, 2015 includes a write-down of equipment of $524,537 (2014: nil). The increase in net income in the quarter ended November 30, 2014 is due to a reduction in operating expenditures as well as a gain on disposition of KG46 as discussed in *Results of Operations.* The net losses in the quarter ended February 28, 2014 includes write-off of exploration and evaluation assets of $4,201,000.

Financial Liquidity and Capital Resources

Working Capital

The Company had working capital of $335,054 at November 30, 2015 compared to working capital of $796,714 at February 28, 2015. The Company's cash position at November 30, 2015 was $347,568 and at February 28, 2015 was $956,598.

Transactions with Related Parties

The Company entered into the following transactions and had the following balances payable with related parties. The transactions were recorded at fair value. Balances outstanding are non-interest bearing, unsecured and had no specific terms for collection or repayment.

a) During the nine months ended November 30, 2015, the Company was charged consulting fees of $103,500 (November 30, 2014 – $103,500) by Atlantic Zinc Resources Ltd., a company owned by the CEO of the Company, Peter Tallman. During the three months ended November 30, 2015, the Company was charged consulting fees of $34,500 (November 30, 2014 – $34,500) by Atlantic Zinc Resources Ltd., a company owned by the CEO of the Company. As at November 30, 2015, $12,075 was payable to Atlantic Zinc Resources Ltd.

b) During the nine months ended November 30, 2015, the Company was charged $90,000 (November 30, 2014 – $90,000) by Fiore Management and Advisory Corp., a company whose CEO, Gordon Keep, is a director of the Company, for corporate administration services. During the three months ended November 30, 2015, the Company was charged $30,000 (November 30, 2014 – $30,000) by Fiore Management and Advisory Corp., a company whose CEO is a director of the Company, for corporate administration services.

New Accounting Standards and Interpretations

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9 - Financial Instruments was issued in November 2009 and covers the classification and measurement of financial assets as part of its project to replace IAS 39 - Financial Instruments: Recognition and Measurement. In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entitles would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is applicable for periods beginning on or after January 1, 2018. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2018.

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position. Disclosure changes are anticipated.

Financial Instruments and Other Instruments

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market prices of base and precious metals including gold, silver, zinc and lead, and the outlook for these metals. The Company does not have any hedging or other derivative contracts respecting its operations.

Market prices for metals historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk, as the nature of Company's business is in exploration.

Liquidity Risk

The liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk through careful management of its financial obligations in relation to its cash position. Using budgeting processes the Company manages its liquidity requirements based on expected cash flow to ensure there are adequate funds to meet the short term obligations during the year.

During the past years the Company has been able to maintain its liquidity position through private placements and royalty income.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency.

Outstanding Share Data

Authorized share capital

The authorized share capital consists of an unlimited number of common shares.

Common Shares

As at the date of this MD&A, an aggregate of 37,974,041 common shares are issued and outstanding.

Preferred Shares

As at the date of this MD&A, there are nil preferred shares issued and outstanding.

Warrants

As at the date of this MD&A, the Company has the following warrants outstanding:

Number Outstanding	Exercise Price Per Share	Expiry Date
60,000	$1.20	October 30, 2016
2,155,788	$1.00	January 18, 2017
9,568,082	$0.20	November 17, 2017
933,395	$0.20	December 15, 2017
3,415,000	$0.15	December 23, 2017
16,132,265		

Options

As at the date of this MD&A, the Company has the following options outstanding:

Number Outstanding	Exercise Price Per Share	Expiry Date
2,850,000	$0.12	December 16, 2024

Additional Disclosure

Contractual Obligations

The Company has future obligations under various contracts relating to an operating lease and minimum conditional and non-conditional exploration commitments to keep properties agreements in good standing. The obligations for any conditional exploration expenditures are non-binding, as the Company has the option to relinquish these licenses and any right to the properties at any time. A summary of these contractual obligations (based on undiscounted cash flows) as at November 30, 2015:

	Total	< 1 Year	1-3 Years	3-5 Years	5+ Years
Operating Lease	$23,819	$23,819	$Nil	$Nil	$Nil

Risks and Uncertainties

The Company is subject to a number of risks and uncertainties due to the nature of its business. The Company's exploration and development activities expose the Company to various financial and operational risks that could have a significant impact on its level of operating cash flows in the future. Readers are advised to study and consider risk factors stressed below. The following are identified as main risk factors that could cause actual results to differ materially from those stated in any forward-looking statements made by, or on behalf of, the Company.

Financing

The Company's future financial success depends on the ability to raise additional capital from the issue of shares or the discovery of properties which could be economically justifiable to develop. Such development could take years to complete and resulting income, if any, is difficult to determine. The sales value of any mineralization potentially discovered by the Company is largely dependent upon factors beyond the Company's control, such as the market value of the products produced.

Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

General Resource Exploration Risks and Competitive Conditions

The resource exploration industry is an inherently risky business with significant capital expenditures and volatile metals markets. The marketability of any minerals discovered may be affected by numerous factors that are beyond the Company's control and which cannot be predicted, such as market fluctuations, mineral markets and processing equipment, and changes to government regulations, including those relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. This industry is intensely competitive and there is no guarantee that, even if commercial quantities are discovered, a profitable market will exist for their sale. The Company competes with other junior exploration companies for the acquisition of mineral claims as well for the engagement of qualified contractors. Metal prices have fluctuated widely in recent years, and they are determined in international markets over which the Company has no influence.

Governmental Regulation

Regulatory standards continue to change, making the review process longer, more complex and therefore more expensive. Exploration and development on the Company's properties are affected by government regulations relating to such matters as environmental protection, health, safety and labour, mining law reform, restrictions on production, price control, tax increases, maintenance of claims, and tenure. There is no assurance that future changes in such regulations couldn't result in additional expenses and capital expenditures, decreasing availability of capital, increased competition, reserve uncertainty, title risks, and delays in operations. The Company relies on the expertise and commitment of its management team, advisors, employees and contractors to ensure compliance with current laws.

Outlook

Despite adverse markets for junior explorers and commodities in general, management believes there is strong potential for further discoveries and concomitant possibility for value creation at its gold properties in the Klondike district, Yukon.

Through exploration in 2015, the Company has identified gold mineralization at the Lone Star and Dominion Properties that warrants further testing. Our conviction in continued well-planned, efficient exploration remains unchanged, however management recognizes the need to safeguard the Company's treasury and advance our programs in measured steps. The Company is reviewing the results of 2015 exploration, and will thereafter generate a modest 2016 exploration budget proposal. This budget proposal may require issuance of equity or other external funding.

The technical and scientific information contained within the Management Discussion and Analysis has been reviewed and approved by Peter Tallman, P.Geo., President and CEO of the Company and Qualified Person as defined by National Instrument 43-101 policy.